



The Consumer Voice in Europe

KEY PROVISIONS FOR CONSUMERS IN THE ENERGY EFFICIENCY DIRECTIVE

Letter sent to Permanent Representation

Contact: **Guillermo Beltrà – Monika Stajnarova –**
energy@beuc.eu

Ref.: X/2012/029 - 02/05/2012

Re: Key provisions for consumers in the Energy Efficiency Directive

Dear Sir/Madame,

Triologue discussions on the proposal for an Energy Efficiency Directive

The European Consumer Organization (BEUC) welcomes the focus and effort that the European institutions have put on energy efficiency. The Energy Efficiency Directive provides an opportunity to help European consumers save money through a better understanding and management of their energy consumption, and through access to reliable products and services that increase their energy efficiency. We therefore welcome the adoption of the European Parliament's Industry, Research and Energy (ITRE) Committee Opinion on the Directive and would like to share the following recommendations for the triologue discussions.

Article 6 – Energy saving schemes

BEUC strongly supports ITRE's amendments to Article 6 of the proposal for an Energy Efficiency Directive which will help to ensure that energy saving schemes, likely to be funded through consumers' energy bills, are delivered at the lowest possible cost to consumers.

The transparency and scrutiny of the impact of these schemes on cost and energy savings is crucial to ensuring that the Directive meets consumer needs (in particular for the most vulnerable). We therefore strongly support including financial monitoring provisions which require the obligated parties to report on the costs they pass on to consumers under these schemes and which require national regulators to regularly review the impact that these schemes have on consumers' energy bills.

We believe that the schemes should promote long-term savings which are cost-effective and focused on long lasting energy efficiency measures linked to improving the fabric of the home, while taking into account national differences. At the same time, it must be ensured that any measures targeting short-term savings are effective and deliver expected savings.

We strongly support the deletion of the proposal to allow the trading of savings across national borders, as it is unfair to consumers to levy charges on energy bills in one country in order to benefit citizens in another.

.../...

.../...

2

As regards the proposal to allow obligated parties to fulfil their obligation by contributing to an Energy Efficiency National Fund or the financing facility proposed in the new Article 2a, we ask that these be ring-fenced for the benefit of energy consumers as this group effectively pays for the delivery of the obligation.

Article 8 & Annex VI – Metering and billing

BEUC applauds the approach under discussion in the Council's working group to split Article 8 into the metering and billing provisions, in order to give more clarity and consistency to the text. However, it is vital that certain provisions are retained to ensure consumers are well informed and protected, as has been done in the report of the European Parliament's Industry, Research and Energy Committee.

Metering

Smart meters can have an impact on energy efficiency and load reduction, but only if the roll out is carefully assessed and expected benefits and protections are delivered. Therefore, it is essential that:

- All Member States conduct a cost-benefit analysis prior to the smart meter roll-out to analyse if the benefits really outweigh the costs for the consumers. In order to accurately realise the potential of smart technologies, this assessment should recognise the differences between consumer categories (heating type, location, income etc).
- It is always up to the consumer to decide what will be her/his role in the smart metering project. Therefore, consumers should be provided with the choice if to accept the smart meter.
- When smart meters are installed, consumers should be provided with accurate information on their energy consumption frequently enough to manage their energy use, become more energy efficient and budget easily. Consumers should have access to real time information as well as historical data on their energy consumption free of charge, in a format they can use to compare deals on a like for like basis. This includes information on energy consumption displayed in monetary terms. In addition to information, consumers should also get advice to maximise the potential benefits of smart meters.
- Consumer benefits and protections should be taken into account in the minimum prescribed functionalities of smart meters. This includes a guarantee that interfaces must be interoperable to prevent consumers being locked into specific energy providers and that interfaces are accessible to all consumers, in order to prevent discrimination.
- Data access and ownership and the permission to gather data need to be very carefully considered and therefore, compliance with and enforcement of data protection legislation are crucial.

.../...

.../...

3

Billing

A well-structured and accurate bill is essential to help consumers not only to better manage their consumption but also to compare deals and switch providers.

- Accurate bills should be guaranteed as soon as smart meters are installed. This was the minimum benefit promised to consumers from smart meter technology. Moreover, back billing should also be prohibited.
- As the national plans for smart meter roll-out differ, it is of utmost importance to clearly distinguish between smart and non-smart meters. It is unarguable that with the smart meter roll-out, it will become easier to have accurate bills with a high frequency.
- Consumers that do not have smart meters should also have the right to accurate bills when they provide a meter reading to their energy provider. We believe that self-reading should be one of the options how to get accurate bill.
- We welcome the efforts of both the Parliament and Council to clarify that the information contained on the bill (as defined in the Directive) should not be considered as a request for payment.
- Furthermore, BEUC strongly believes that the information on the bill should be clear, well-structured and easily understandable and consumers should be provided with billing options at no additional costs.

We therefore call on you to keep high ambitions in Article 8 and Annex VI with regard to provisions on minimum requirements for metering and billing and information provided to consumers as also proposed by the European Parliament's ITRE Committee.

Article 8a – Consumer information and engagement programme

Consumer engagement is vital for the effective deployment of energy efficiency measures. This cannot be achieved through information alone. A clear sense of direction is needed from national governments, in the form of national strategies that can be adapted as needed to meet the required outcomes.

Different policies are needed for different consumer segments, depending on their attitude to the environment, income, tenure, type of home, age, family situation, heating fuel type, location and so on. This requires the combination of initiatives that exemplify, engage, enable and encourage action within these consumer segments and the co-ordination of policies to avoid mixed messages. These national programmes would be especially required for the roll out of smart meters.

BEUC has worked with the European Parliament to strengthen the consumer information and engagement provisions in the Directive. We therefore strongly urge you to support ITRE's proposal for a new Article 8a in the final adopted Directive.

.../...

.../...

4

Article 13 - Availability of certification schemes

In order to build consumer trust, viable, credible and easily recognisable accreditation schemes are required to identify reliable energy efficiency service and product providers. BEUC fully supports the establishment of a single accreditation framework to act as an umbrella for the respective certification schemes as proposed in the ITRE report.

We urge Member States to keep the same ambition in the final text of the Directive.

Article 14 – Energy services

Building on the approach established in the Third Energy Package, a single point of contact is required to provide basic energy services advice and to signpost consumers to accredited providers. The creation of a single independent mechanism (such as an energy ombudsman) is also needed to ensure the efficient treatment of complaints and out-of-court settlements where the energy efficiency market brings together suppliers from a variety of different industry sectors. The currently separate regimes for consumer information and complaint handling should be linked up so that consumers are not left disillusioned.

The European Parliament's ITRE report has confirmed the importance of these issues for consumers to a high extent. We therefore support the text on this Article as adopted by the European Parliament's ITRE Committee.

Annex XI - Ensure consumers benefit from demand response

Demand response programmes should be inclusive for all consumers and not discriminate, particularly against more vulnerable consumers. The implications of dynamic pricing should be given adequate consideration. It is possible that these tariffs could penalise certain consumer groups, or that benefits to suppliers would not be passed on to consumers sufficiently. Therefore, we strongly recommend performing a distributional analysis on the impact of time-of-use tariffs on different social groups and if/how these groups can access the benefits of new deals.

Yours sincerely,



Guillermo Beltrà
Legal Officer



Monika Stajnarova
Junior Economic Officer